



DEPARTMENT OF TRANSPORTATION

Maritime Administration

[Docket No. USCG-2015-0472]

Deepwater Port License Application: Delfin LNG LLC, Delfin LNG Deepwater Port

AGENCY: Maritime Administration, Department of Transportation.

ACTION: Notice of Intent; Notice of Public Meeting; Request for Comments.

SUMMARY: The Maritime Administration (MARAD), in coordination with the U.S. Coast Guard (USCG), will prepare an environmental impact statement (EIS) as part of the environmental review of the Delfin LNG LLC (Delfin LNG) deepwater port license application. The application proposes the ownership, construction, operation and eventual decommissioning of an offshore liquefied natural gas (LNG) deepwater port export facility that would be located in Federal waters within the Outer Continental Shelf (OCS) West Cameron Area, West Addition Protraction Area (Gulf of Mexico), approximately 37.4 to 40.8 nautical miles off the coast of Cameron Parish, Louisiana, in water depths ranging from approximately 64 to 72 feet (19.5 to 21.9 meters). The deepwater port would consist of four semi-permanently moored floating liquefaction natural gas vessels (FLNGVs), and would reuse and repurpose two existing offshore natural gas pipelines: the former U-T Operating System (UTOS) pipeline and the High Island Operating System (HIOS) pipeline (see Summary of the Application for additional

project specifics).

The onshore components of the proposed deepwater port would be located in Cameron Parish, Louisiana and would be reviewed by the Federal Energy Regulatory Commission (FERC) under a separate authorization process (see FERC Docket No. CP15–490–000; 80 FR 30226 (May 27, 2015)). The onshore facility would consist of reactivating approximately 1.1 miles of the existing UTOS pipeline; the addition of 74,000 horsepower of new compression and associated metering and regulation facilities; the installation of new supply header pipelines (which would consist of 0.25 miles of new 42-inch pipeline to connect the former UTOS line to the new meter station); and 0.6 miles of new twin 30-inch pipelines between Transco Station 44 and the new compressor station site. Publication of this Notice of Intent (NOI) begins a 30 day scoping process that will help identify and determine the scope of environmental issues to be addressed in the EIS. MARAD and the USCG will consider both the Delfin LNG deepwater port license application and the FERC application to be included in this review. For your convenience, we have included the Delfin LNG application to FERC under docket number USCG-2015-0472. This NOI requests public participation in the scoping process, provides information on how to participate and announces informational open houses and public meetings in Louisiana and Texas. Pursuant to the criteria provided in the Deepwater Port Act of 1974, as amended, 33 U.S.C. 1501 *et seq.* (the Act), both Louisiana and Texas are the Adjacent Coastal States for this application.

DATES: There will be two public scoping meetings held in connection with the application. The first public meeting will be held in Lake Charles, Louisiana on August 18, 2015, from 6 p.m. to 8 p.m. The second public meeting will be held in Beaumont,

Texas on August 19, 2015, from 6 p.m. to 8 p.m. Both public meetings will be preceded by an informational open house from 4 p.m. to 5:30 p.m.

Each of the public meetings may end later than the stated time, depending on the number of persons wishing to speak. Additionally, materials submitted in response to this request for comments on the Delfin LNG deepwater port license application must reach the Federal Docket Management Facility as detailed below by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: The open house and public meeting in Lake Charles, Louisiana will be held at the Lake Charles Civic Center, 900 Lakeshore Drive, Lake Charles, Louisiana 70601, telephone: 337-491-1256. The open house and public meeting in Beaumont, Texas will be held at the Holiday Inn Beaumont Plaza, 3950 Walden Road, Beaumont, Texas 77705, telephone: 409-842-5995. Free parking is available at both the Lake Charles Civic Center and the Holiday Inn Beaumont Plaza locations.

The public docket for USCG-2015-0472 is maintained by the U.S. Department of Transportation, Docket Management Facility, West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE, Washington, DC 20590.

The Federal Docket Management Facility accepts hand-delivered submissions, and makes docket contents available for public inspection and copying at this address between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The Federal Docket Management Facility's telephone number is 202-366-9329, the fax number is 202-493-2251 and the website for electronic submissions or for electronic access to docket contents is <http://www.regulations.gov>. keyword search "USCG-2015-0472".

FOR FURTHER INFORMATION CONTACT: Mr. Roddy Bachman, USCG, telephone: 202-372-1451, email: Roddy.C.Bachman@uscg.mil, or Ms. Yvette M. Fields, MARAD, telephone: 202-366-0926, email: Yvette.Fields@dot.gov. For questions regarding viewing the Docket, call Docket Operations, telephone 202-366-9826.

SUPPLEMENTARY INFORMATION:

Public Meeting and Open House

We invite you to learn about the proposed deepwater port at any of the above informational open houses and to comment at any of the above public meetings on environmental issues related to the proposed deepwater port. Your comments will help us identify and refine the scope of the environmental issues to be addressed in the EIS.

Speaker registrations will be available at the door. Speakers at the public scoping meetings will be recognized in the following order: elected officials, public agencies, individuals or groups in the sign-up order and then anyone else who wishes to speak.

In order to allow everyone a chance to speak at a public meeting, we may limit speaker time, extend the meeting hours or both. You must identify yourself, and any organization you represent, by name. Your remarks will be recorded or transcribed for inclusion in the public docket.

You may submit written material at a public meeting, either in place of or in addition to speaking. Written material must include your name and address and will be included in the public docket.

Public docket materials will be made available to the public on the Federal Docket Management Facility website (see **Request for Comments**).

Our public meeting locations are wheelchair-accessible. If you plan to attend an

open house or public meeting and need special assistance such as sign language interpretation, non-English language translator services or other reasonable accommodation, please notify the USCG (see **For Further Information Contact**) at least 5 business days in advance. Include your contact information as well as information about your specific needs.

Request for Comments

We request public comments or other relevant information on environmental issues related to the proposed deepwater port. The public meeting is not the only opportunity you have to comment on the Delfin LNG deepwater port license application. In addition to or in place of attending a meeting, you can submit comments directly to the Federal Docket Management Facility during the public comment period (see **Dates**). We will consider all comments and material received during the 30-day scoping period. The license application, comments and associated documentation as well as the draft and final EISs (when published) are available for viewing at the Federal Docket Management System (FDMS) website: <http://www.regulations.gov> under docket number USCG-2015-0472.

Public comment submissions should include:

- Docket number USCG-2015-0472.
- Your name and address.

Submit comments or material using only one of the following methods:

- Electronically (preferred for processing) to the Federal Docket Management System (FDMS) website: <http://www.regulations.gov> under docket number USCG-2015-0472.

- By mail to the Federal Docket Management Facility (USCG-2015-0472), U.S. Department of Transportation, West Building, Ground Floor, Room W12-140, 1200 New Jersey Avenue, SE, Washington, DC 20590-0001
- By personal delivery to the room and address listed above between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.
- By fax to the Federal Docket Management Facility at 202-493-2251.

Faxed, mailed or hand delivered submissions must be unbound, no larger than 8½ by 11 inches and suitable for copying and electronic scanning. The format of electronic submissions should also be no larger than 8½ by 11 inches. If you mail your submission and want to know when it reaches the Federal Docket Management Facility, please include a stamped, self-addressed postcard or envelope.

Regardless of the method used for submitting comments or material, all submissions will be posted, without change, to the FDMS website (<http://www.regulations.gov>) and will include any personal information you provide. Therefore, submitting this information to the docket makes it public. You may wish to read the Privacy and Use Notice that is available on the FDMS website and the Department of Transportation Privacy Act Notice that appeared in the **Federal Register** on April 11, 2000 (65 FR 19477), see Privacy Act. You may view docket submissions at the Federal Docket Management Facility or electronically on the FDMS website.

Background

Information about deepwater ports, the statutes, and regulations governing their licensing, including the application review process, and the receipt of the current application for the proposed Delfin LNG deepwater port appears in the July 16, 2015

edition of the **Federal Register**. The “Summary of the Application” from that publication is reprinted below for your convenience.

Consideration of a deepwater port license application includes review of the proposed deepwater port’s impact on the natural and human environment. For the proposed deepwater port, USCG and MARAD are the co-lead Federal agencies for determining the scope of this review, and in this case, it has been determined that review must include preparation of an EIS. This NOI is required by 40 CFR 1501.7. It briefly describes the proposed action, possible alternatives and our proposed scoping process. You can address any questions about the proposed action, the scoping process or the EIS to the USCG project manager identified in this notice (see For Further Information Contact).

Proposed Action and Alternatives

The proposed action requiring environmental review is the Federal licensing of the proposed deepwater port described in “Summary of the Application” below. The alternatives to licensing the proposed port are: (1) Licensing with conditions (including conditions designed to mitigate environmental impact), (2) proposed deepwater port site alternatives or (3) denying the application, which for purposes of environmental review is the “no-action” alternative.

Scoping Process

Public scoping is an early and open process for identifying and determining the scope of issues to be addressed in the EIS. Scoping begins with this notice, continues through the public comment period (see Dates), and ends when USCG and MARAD have completed the following actions:

- Invites the participation of Federal, state, and local agencies, any affected Indian tribe, the applicant, in this case Delfin LNG, and other interested persons;
- Determines the actions, alternatives and impacts described in 40 CFR 1508.25;
- Identifies and eliminates from detailed study, those issues that are not significant or that have been covered elsewhere;
- Identifies other relevant permitting, environmental review and consultation requirements;
- Indicates the relationship between timing of the environmental review and other aspects of the application process; and
- At its discretion, exercises the options provided in 40 CFR 1501.7(b).

Once the scoping process is complete, USCG will prepare a draft EIS in conjunction with MARAD. Also, MARAD will publish a **Federal Register** notice announcing public availability of the draft EIS. (If you want that notice to be sent to you, please contact the USCG project manager identified in For Further Information Contact). You will have an opportunity to review and comment on the draft EIS. USCG will consider those comments and then prepare the final EIS. As with the draft EIS, we will announce the availability of the final EIS and once again, give you an opportunity for review and comment and include final public hearings as required by the Act.

Summary of the Application

Delfin LNG is proposing to construct, own, operate, and eventually decommission a deepwater port (referred to hereafter as the Delfin deepwater port) in the Gulf of Mexico to liquefy domestically-sourced natural gas for export to nations with which the United States has a Free Trade Agreement (FTA) and with non-FTA

nations.

The proposed Delfin deepwater port has both onshore and offshore components. As previously described, the proposed Delfin deepwater port would be located in Federal waters within the OCS West Cameron Area, West Addition Protraction Area (Gulf of Mexico) approximately 37.4 to 40.8 nautical miles off the coast of Cameron Parish, Louisiana, in water depths ranging from approximately 64 to 72 feet (19.5 to 21.9 meters). The Delfin deepwater port would consist of four semi-permanently moored FLNGVs located as follows: #1 (29° 8' 13.1" N/93° 32' 2.2" W), #2 (29° 6' 13.6" N/93° 32' 42.4" W), #3 (29° 6' 40.7" N/93° 30' 10.1" W), and #4 (29° 4' 40.9" N / 93° 30' 51.8" W) located in West Cameron (WC) lease blocks 319, 327, 328, and 334, respectively. Delfin LNG would reuse and repurpose two existing offshore natural gas pipelines, the former UTOS pipeline and the HIOS pipeline. Four new 30-inch diameter pipeline laterals, each approximately 6,400 feet in length, connecting the HIOS pipeline to each of the FLNGVs, would be constructed. In addition, a 700-foot 42-inch diameter new pipeline would be constructed to bypass a platform at WC lease block 167 (WC 167) and connect the UTOS and HIOS pipelines. Feed gas would be supplied through the new pipeline laterals to each of the FLNGVs where it would be super cooled to produce LNG. The LNG would be stored onboard the FLNGVs and transferred via ship-to-ship transfer to properly certified LNG trading carriers. Each of the FLNGVs would be semi-permanently moored to four new weathervaning tower yoke mooring systems (TYMS).

The onshore components in Cameron Parish, Louisiana are described specifically in an application submitted to FERC. The onshore components of the Delfin deepwater port will consist of constructing and operating a new natural gas compressor station, gas

supply header and a metering station at an existing gas facility (see the FERC Application referenced below). The proposal would require: (1) Reactivation of approximately 1.1 miles of existing 42-inch pipeline, formerly owned by UTOS, which runs from Transcontinental Gas Pipeline Company Station No. 44 (Transco Station 44) to the mean highwater mark along the Cameron Parish Coast; (2) installation of 74,000 horsepower of new compression; (3) construction of 0.25 miles of 42-inch pipeline to connect the former UTOS line to the new meter station; and (4) construction of 0.6 miles of twin 30-inch pipelines between Transco Station 44 and the new compressor station.

Onshore pipeline quality natural gas from the interstate grid would be sent to the existing, but currently idle, 42-inch UTOS pipeline. The gas transported through the UTOS pipeline would then bypass the existing manifold platform located at WC 167 via a newly installed pipeline segment, 700 feet in length, connecting to the existing 42-inch HIOS pipeline.

The bypass of the WC 167 platform would be trenched so that the top of the pipe is a minimum of 3 feet below the seafloor. From the bypass, the feed gas would then be transported further offshore using the HIOS pipeline portion leased by Delfin LNG between WC 167 and High Island A264. The existing UTOS and HIOS pipelines transect OCS Lease Blocks WC 314, 318, 319, 327, and 335, and would transport feed gas from onshore to offshore (one-directional flow). Delfin LNG proposes to install four new lateral pipelines along the HIOS pipeline, starting approximately 16.0 nautical miles south of the WC 167 platform. Each subsea lateral pipeline would be 30 inches in diameter and approximately 6,400 feet in length, extending from the HIOS pipeline to the Delfin deepwater port. The maximum allowable operating pressure of

the pipeline system (UTOS, bypass, HIOS and laterals) would be 1,250 pounds per square inch gauge (psig).

The FLNGVs would receive pipeline quality natural gas via the laterals and TYMS where it would be cooled sufficiently to completely condense the gas and produce LNG. The produced LNG would be stored in International Maritime Organization (IMO) type B, prismatic, independent LNG storage tanks aboard each of the FLNGVs. Each vessel would have a total LNG storage capacity of 165,000 cubic meters (m³).

An offloading mooring system would be provided on each FLNGV to moor an LNG trading carrier side-by-side for cargo transfer of LNG through loading arms or cryogenic hoses using ship-to-ship transfer procedures. LNG carriers would be moored with pilot and tug assist. The FLNGVs would be equipped with fenders and quick-release hooks to facilitate mooring operations. The offloading system would be capable of accommodating standard LNG trading carriers with nominal cargo capacities up to 170,000 m³. Delfin LNG estimates that the typical LNG cargo transfer operation would be carried out within 24 hours, including LNG trading carrier berthing, cargo transfer and sail-away. Approximately 31 LNG trading carriers are expected to visit each of the four FLNGVs per year for a total of up to 124 cargo transfer operations per year. Each LNG trading carrier would be assisted by up to three tugs during approach and mooring and up to two tugs while departing the Delfin deepwater port.

The FLNGVs would be self-propelled vessels and have the ability to disconnect from the TYMS and set sail to avoid hurricanes or to facilitate required inspections, maintenance and repairs.

In the nominal design case, each of the four FLNGVs would process

approximately 330 million standard cubic feet per day (MMscfd), which would total 1.32 billion standard cubic feet per day (Bscf/d) of input feed gas for all four of the FLNGVs. Based on an estimated availability of 92 percent and allowance for consumption of feed gas during the liquefaction process, each FLNGV would produce approximately 97.5 billion standard cubic feet per year (Bscf/y) of gas (or approximately 2.0 million metric tonnes per annum [MMtpa]) for export in the form of LNG. Together, the four FLNGVs are designed to have the capability to export 390.1 Bscf/y of gas (or approximately 8.0 MMtpa) in the form of LNG.

As detailed engineering and equipment specification advances during the design process and operating efficiencies are gained post-commissioning, the liquefaction process could perform better than this nominal design case. It is therefore anticipated that LNG output, based on the high-side design case of 375 MMscfd of input feed gas, would be as much as approximately 110.8 Bscf/y of gas (or approximately 2.3 MMtpa) for each FLNGV. Taken together, the four FLNGVs would be capable of exporting the equivalent of 443.3 Bscf/y of natural gas in the form of LNG. Therefore, Delfin LNG is requesting authorization to construct and operate facilities capable of exporting up to 443.3 Bscf/y of natural gas in the form of LNG (which equates to approximately 9.2 MMtpa).

The proposed Delfin deepwater port would take a modular implementation approach to allow for early market entry and accommodate market shifts. Offshore construction activities are proposed to begin at the end of first quarter of 2018 and would be completed in four stages, with each stage corresponding to the commissioning and operation of an FLNGV. The anticipated commissioning of FLNGV 1 is the third quarter

of 2019 with start-up of commercial operation of FLNGV 1 by the end of 2019. It is anticipated that FLNGVs 2 through 4 would be commissioned 12 months apart.

Following this schedule and barring unforeseen events, the Delfin deepwater port would be completed and all four FLNGVs would be fully operational by the summer of 2022.

FERC Application

The onshore component and nearshore pipeline component of the proposed Delfin deepwater port falls under the jurisdiction of and is processed under a separate authorization by FERC. On May 8, 2015, Delfin LNG filed an application with FERC to construct and operate the onshore/nearshore components of the proposed deepwater port. This application was noticed on FERC's Docket: No. CP15-490-000 on May 20, 2015, and in the **Federal Register** Vol. 80, No. 101 / Wednesday, May 27, 2015 / Notices. The following is an excerpt from FERC's **Federal Register** Notice:

Take notice that on May 8, 2015 Delfin LNG LLC (Delfin LNG), 1100 Louisiana Street, Houston, Texas 77002, filed in Docket No. CP15-490-000, an Application pursuant to section 7(c) of the Commission's Regulations under the Natural Gas Act and Parts 157 of the Federal Energy Regulatory Commission's (Commission) regulations requesting authorization to (1) reactivate approximately 1.1 miles of existing 42-inch pipeline formerly owned by U-T Offshore System (UTOS), which runs from Transcontinental Gas Pipeline Company Station No. 44 (Transco Station 44) to the mean highwater mark along the Cameron Parish Coast; (2) install 74,000 horsepower of new compression; (3) construct 0.25 miles of 42-inch pipeline to connect the former UTOS line to the new meter station; and (4) construct 0.6 miles of twin 30-inch pipelines between Transco Station 44 and the new compressor station in Cameron Parish, Louisiana that comprise the onshore portion of Delfin LNG's proposed deepwater port (DWP), an offshore liquefied natural gas facility located off the coast of Louisiana in the Gulf of Mexico, all as more fully set forth in the application, which is on file with the Commission and open to public inspection. Additionally, Delfin LNG requests a blanket construction certificate under Part 17, Subpart F of the Commission's regulations. This filing may be viewed on the web at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number (excluding the last three digits) in the docket number field to access the document. For assistance, please contact FERC at FERCOnlineSupport@ferc.gov or call toll-free (866) 208-3676 or TTY, (202) 502-8659.

It is important to note that the onshore facilities will connect with the offshore deepwater port facilities which are subject to the jurisdiction of MARAD and USCG. As previously discussed, Delfin LNG proposes to lease a segment of pipeline from HIOS that extends from the terminus of the UTOS pipeline offshore. Delfin LNG states in its application that HIOS will submit a separate application with FERC seeking authorization to abandon by lease its facilities to Delfin LNG. Because the review of the deepwater port proposal is the jurisdiction of MARAD and USCG, FERC has acknowledged receipt of the Delfin LNG application, provided under Docket No. CP15-490-000 on May 8, 2015; however, FERC will not begin processing the Delfin LNG application until such time that HIOS submits an abandonment application to FERC for review and processing.

Accordingly, although the USCG and MARAD will commence review and processing of the Delfin deepwater port license application, upon the publication of this Notice of Intent, MARAD and USCG will not publish the draft EIS until FERC has received an application for abandonment of the HIOS pipeline and has begun to process Delfin's application for the construction and operation of the onshore components of the proposed deepwater port.

Privacy Act

The electronic form of all comments received into the FDMS can be searched by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). The Department of Transportation Privacy Act Statement can be viewed in the **Federal Register** published on April 11, 2000 (Volume 65, Number 70, pages 19477-78) or by visiting

<http://www.regulations.gov>.

(Authority: 33 U.S.C. 1501, et seq., 49 CFR 1.93(h)).

Dated: July 24, 2015

By Order of the Maritime Administrator.

T. Mitchell Hudson, Jr.,

Secretary, Maritime Administration.

BILLING CODE 4910-81-P

[FR Doc. 2015-18594 Filed: 7/28/2015 08:45 am; Publication Date: 7/29/2015]